



**PROPOSED RESOLUTIONS**



### **FIRST ITEM ON THE AGENDA**

**Ratification of the appointment by co-option of Mr. Javier Fernández Alonso as proprietary shareholder**

### **RESOLUTION**

It is resolved to ratify the appointment of Mr. Javier Fernández Alonso as a director appointed by co-option by resolution of the Board of Directors, adopted at the meeting held on September 30, 2015, and to nominate him, in accordance with the report of the Appointments and Remuneration Committee, for the statutory period of four years, with the status of external proprietary director, having been proposed for appointment by Corporación Financiera Alba , S.A., a significant shareholder of Euskaltel.



## **SECOND ITEM ON THE AGENDA**

### **Approval of the acquisition of R Cable y Comunicaciones Galicia, S.A. (the "Transaction") in accordance with article 160 (f) of the Capital Enterprises Act**

#### **RESOLUTION**

In accordance with the provisions of article 160 (f) of the Capital Enterprises Act, it is resolved to approve the acquisition by Euskaltel of 100% of the business of the company R Cable Telecomunicaciones Galicia, S.A. ("R" or "R Cable"), on the terms and conditions provided for in the report prepared by the Board of Directors, through the acquisition, directly and indirectly, 100% of the share capital of R by means of: (i) the acquisition of the shares representing 30% of the share capital of R, owned by Abanca Corporación Industrial y Empresarial, S.L.U.; and (ii) the acquisition of the totality of the shareholdings into which the capital of Rede Brigantium, S.L., is divided, the majority shareholder of R and holder of 70% of its share capital, owned by Venini Netherlands B.V. and Ninive International B.V. (the "Transaction").

This approval also involves the approval of all related or accessory legal operations required for the successful completion of the Transaction, such as the extension of the existing bank financing line, the engagement of institutional debt or issuance of new shares, as referred to in the report prepared by the Board of Directors.

The implementation of the Transaction represents the acquisition of an essential asset for the Company, which will allow it to consolidate its position as a leading operator in convergent offers in the geographical areas in which it operates in the north of the country.

It is also resolved to delegate in favor of the Board of Directors, as broadly as required by law, with powers of substitution or power of Attorney in favor of any of its members, any powers that may be necessary or appropriate for implementing and fully completing the Transaction, including the execution of any public or private documents as may be necessary, the publication of any legally required announcements, registration in any pertinent registry and the performance of any other actions and formalities that may be necessary or convenient for the purpose.



### **THIRD ITEM ON THE AGENDA**

**Authorization to the Board of Directors, pursuant to article 297.1. b) of the Capital Enterprises Act, so that, within a maximum period of five years and, if it deems appropriate, it may increase the share capital by up to one half of the current share capital, once or several times, and at the time and in the amount it deems appropriate, with attribution of the power to exclude pre-emptive subscription rights with a limit of 20% of the capital at the time of the delegation in accordance with article 13 of the Articles of Association. Delegation of authority in the Board of Directors, with express power of substitution, including, among other matters, the faculty to re-draft article 6 of the Articles of Association, regulating the share capital**

### **RESOLUTION**

It is resolved to empower the Board of Directors, pursuant to article 297.1. b) of the Capital Enterprises Act, so that, without prior consultation with the General Shareholders' Meeting, it may increase the share capital up to an amount equivalent to half of the Company's share capital on the date of this resolution, and entitling it to exercise this power within five years from the date of this resolution in one or more times and according to the opportunity, amount and conditions it freely decides at any time.

The Board of Directors may thus establish all the terms and conditions of the capital increases and nature of the shares as well as determining the investors and markets where such increases will be issued and the placement procedure to be followed, freely offering any unsubscribed shares during the pre-emption period and establishing, in the case of incomplete subscription, that the capital increase should remain without effect or that the capital will only be increased in the amount of the subscriptions carried out.

The Board of Directors may designate the person or persons, whether or not they are directors, who will be responsible for executing any agreements adopted in application of this authorization and, in particular, the completion of the increase.

The capital increase or increases shall be carried out through the issue of new shares, both ordinary and non-voting, privileged or redeemable with the corresponding amendment of article 6 of the Articles of Association.

The value of the new shares shall consist of cash contributions to the corporate assets with disbursement of the nominal value of the shares and, where appropriate, with a share premium, which may be different for different groups of shares in the same issue.

Similarly, and if permitted by law, the equivalent of the capital extension or extensions may consist of the transformation of freely available reserves, in which case the capital extension or extensions may be made through the increase of the nominal value of existing shares, with the consequent amendment of article 6 of the Articles of Association.

In accordance with the provisions of article 506 and concurrent articles of the Capital Enterprises Act and article 13 of the Articles of Association, the Board of Directors is expressly granted the power to exclude, in whole or in part, the right of pre-emption with respect to all or any of the share issues that it may decide to perform under this authorization, with a limit of 20% of the capital at the time of the this delegation, when the interests of the Company so justify, and provided that the nominal value of the shares to be issued, plus the share premium, if any, corresponds to the fair value of the Company's shares resulting from the report that, at the request of the Board of Directors, must be submitted by an auditor other than the Company's auditor, appointed for this purpose by the Mercantile Registry each time the board makes use of its powers to exclude pre-emptive subscription rights, as conferred in this paragraph.



The Board of Directors is also empowered to apply for admission to trading, and exclusion therefrom, in the corresponding Spanish or foreign organized secondary markets, of the shares that may be issued, or in the event of modification of the nominal value of the shares already issued, their exclusion and new admission, in accordance with the rules that are applicable at every moment in relation to their trading and maintenance of and suspension from trading.

The Board of Directors may delegate any of the powers referred to in this resolutions to those persons deemed appropriate by the Board itself, whether or not they are directors.



#### **FOURTH ITEM ON THE AGENDA**

**Appointment of KPMG Auditores, S.L. as auditor of the accounts of the consolidated group formed by Euskaltel and its subsidiary companies after the operation, corresponding to the years 2015, 2016 and 2017.**

#### **RESOLUTION**

In the event that the Transaction contemplated in the second item of the agenda becomes within the year ending on December 31, 2015, and for the fulfilment of the legal obligation of verification of the annual accounts of the consolidated group of the Company, it is resolved to appoint KPMG Auditores, S.L. as the auditor of the accounts of the consolidated group formed by Euskaltel and its subsidiary companies upon completion of the Transaction to audit the annual accounts for the years ending on December 31, 2015, 2016 and 2017, respectively, empowering the Board of Directors, with express powers of substitution, to execute the corresponding contract for engaging such services, with the terms and conditions that it deems appropriate, being equally empowered to carry out any modifications thereto it deems relevant in accordance with the legislation in force at all times.

This resolution is adopted at the proposal of the Board of Directors and following the proposal, in turn, of the Audit and Control Committee.

It is noted that KPMG Auditores, S.L. has its registered office in Paseo de la Castellana, 95 - Edificio Torre Europa, C.P. 28046, Madrid (Madrid), and tax identification number B-82498650. It is registered in the Mercantile Registry of Madrid, volume 14,972, folio 53, section 8, sheet M-249.480, and in the Official Register of Auditors (ROAC) with number S-0702.



**ITEM FIVE OF THE AGENDA**

**Delegation of powers**

**RESOLUTION**

Without prejudice to any powers already delegated, it has been decided to delegate any powers of replacement or of attorney, as broadly as may be required by law, to any of the members of the Board of Directors of the Company, including any powers required or suitable to interpret, execute, and fully implement any previous decisions, including the execution of any public or private documents required, the publication of any announcements required by law, registration in any relevant registers, and the performance of any actions and procedures required or suitable to this end, as well as, inter alia, the powers of rectification, clarification, interpretation, completion, stipulation, or specification, if applicable, of the decisions made, and in particular the rectification of any defects, omissions, or errors found, even those found in the Mercantile Register's verbal or written classification, which might hinder the effectiveness of the decisions made.